

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration
Washington 25, D. C.

Administrative Bulletin

SUBJECT: Loans for Refrigeration Locker Plants

1. REA borrowers, whose principal function is to supply rural people with electric power, should be strongly urged not to develop or establish any new locker plants.
2. Locker plants are not an integral part of a power system and are not essential to its operation; they are simply one type of consumer of electricity so far as the REA program is concerned. Experience indicates that the operation of a locker plant involves the processing, preparation, packaging, and even marketing of many types of food which require specialized handling by trained personnel. This agency does not have sufficient specialists and facilities to guide borrowers in an enlarged program of this nature.
3. Adequate financing for locker plants is available through other sources as is evidenced by the fact that the REA has only financed less than one percent of approximately 5,700 plants in operation in the United States.
4. Demands for distribution facilities to extend electric service are in excess of the facilities that can be provided by available loan funds, and it is necessary that both borrowers and REA give their primary and immediate attention to meeting these demands for electric service.
5. This Bulletin supersedes all other existing instructions in conflict with the provisions of this Bulletin.

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Index:

Loans for Refrigeration Locker Plants
Locker Plants; Loans for Refrigeration
Refrigeration Locker Plants; Loans for

